

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Japan

### Potatoes and Potato Products Annual

#### Japanese Imports of U.S. Fresh Potatoes Hit a Record High

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**Report Highlights:**

In marketing year 2009/10, Japan imported a record 1,899 metric tons of U.S. fresh potatoes, the highest level of imports since Japan opened its market in 2006. Similarly, Japanese imports of U.S. frozen (not fried) potato products reached the highest level on record at 8,910 metric tons, a 40 percent jump from the previous season. Imports of U.S. frozen French fries also increased by about 2 percent.

**Commodities:**

Potato Products, Fresh, frozen, and dehydrated

# Potatoes and Potato Products Annual

## Fresh Potatoes

Fresh Potato Data:

<b>Fresh Potatoes</b>		Market Year	Market Year	Market Year
		Begin:	Begin:	Begin:
		July 2008	July 2009	July 2010
		<b>MY2008/09</b>	<b>MY2009/10</b>	<b>MY2010/11</b>
<b>Area Planted</b>	<b>Total Area</b>	<b>84,930</b>	<b>83,020</b>	<b>82,200</b>
(HR)	For Fresh Market	27,600	27,000	26,720
	For Processing	57,330	56,020	55,480
<b>Area Harvested</b>	<b>Total Area</b>	<b>84,930</b>	<b>83,020</b>	<b>82,200</b>
(HR)	For Fresh Market	27,600	27,000	26,720
	For Processing	57,330	56,020	55,480
<b>Production</b>	<b>Total Production</b>	<b>2,740,800</b>	<b>2,444,700</b>	<b>2,296,000</b>
(MT)	For Fresh Market	890,800	794,500	746,200
	For Processing	1,850,000	1,650,200	1,549,800
<b>Consumption</b>	<b>Total Consumption</b>	<b>2,248,800</b>	<b>1,984,700</b>	<b>1,853,000</b>
(MT)	For Fresh Market	731,000	645,000	602,200
	For Processing	1,517,800	1,339,700	1,250,800
Source: MAFF				
MY2010/11 data: Post estimates				
Breakdown for fresh market and for processing is estimated by Post				

## Production

In Japan, approximately 98 percent of potato seedlings are planted in the spring and harvested in the summer and fall. Eighty percent of Japan's potatoes are produced in the Hokkaido region, its northernmost island. The rest are produced in Honshu, the main island of Japan, and Kyushu, the third-largest and southernmost of its four main islands.

Potatoes in the Hokkaido region are planted in the late spring and harvested in September and October. Many of the Hokkaido potatoes are kept in stocks and are available in the market through the following spring. Potatoes in Honshu and Kyushu are largely planted in the spring and harvested from May through August.

According to the Ministry of Agriculture, Forestry and Fisheries (MAFF), in MY 2009/10 Japan produced 2.444 million metric tons of fresh potatoes from a total crop area of approximately 83,000 hectares. Relative to MY 2008/09, this season's planting area was down about 2 percent and consistent with a multi-year declining trend. The average yield also lowered by about 9 percent to 29.5 metric

tons per hectare. In MY2009/10 the Hokkaido region produced 1.879 million metric tons, down approximately 12 percent from the previous season. Lower temperatures and insufficient sunshine in 2009 contributed to Hokkaido's production decline.

During the summer of 2010, Japan experienced record high temperatures for over two months. As a result, the Japanese industry expects farmers in the Hokkaido region to have a 10 to 15 percent reduction in their upcoming crop. Harvesting in Hokkaido is expected to take place in September and October. In addition to severe weather changes, other overarching issues such as diversification to other crops and an aging farming population continue to affect Japan's potato production. Hence, Post estimates that Japanese potato production in MY 2010/11 to be approximately 2.296 million metric tons, down approximately 7 percent from the previous year (MY 2009/10).

## **Consumption**

According to the Ministry of Internal Affairs and Communications (MIC), in CY 2009, household consumption of fresh potatoes in Japan remained steady at approximately 11.5 kilograms per year, with an average expenditure of about \$30.05\* (2,550 yen) per year.

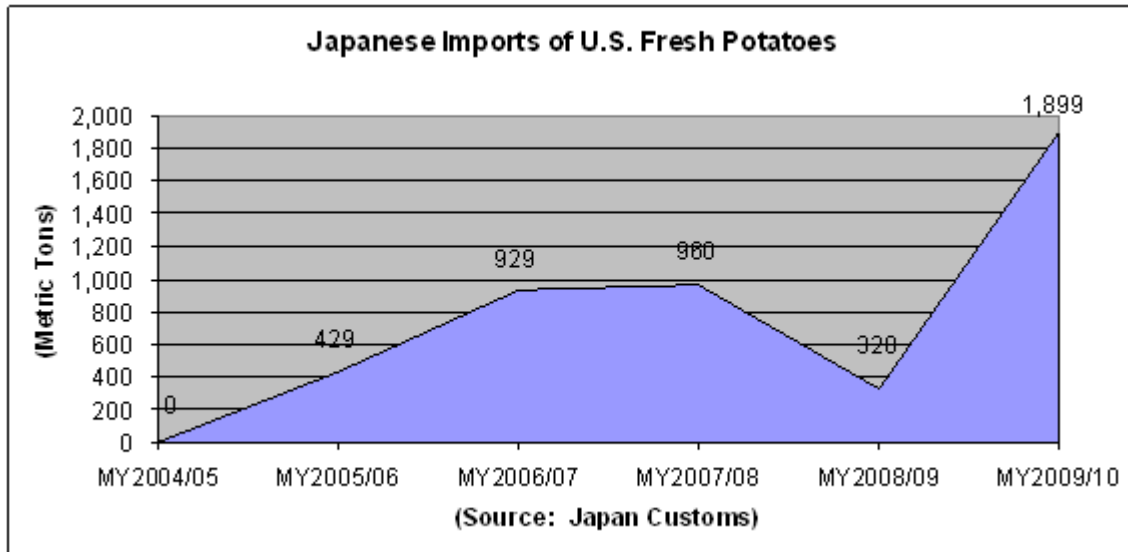
The Ministry of Agriculture, Forestry and Fisheries (MAFF) reports that 32.5 percent of potatoes harvested in Japan are destined for the fresh market and the rest for processing and seedling. Within the food processing sector, approximately 41.9 percent of potatoes go to starch makers and approximately 19.5 percent go to food manufacturing such as potato chip manufactures and frozen potato processors. The rest, about 6.4 percent is used as seed.

A relatively large volume of Hokkaido production goes to starch makers and food processors, about 55 percent and 22 percent, respectively. Only about 16 percent of Hokkaido's potato production goes is sold at fresh markets.

Japanese potato chip manufactures all together use around 310,000 – 340,000 metric tons of fresh potatoes annually. Japan's largest potato chip manufacturer alone consumes approximately 240,000 – 250,000 metric tons of fresh potatoes annually.

\* The 84.86 yen per dollar exchange rate is based on a Nikkei News quote from September 22, 2010.

## **Trade – Imports**



In MY 2009/10, Japan practically doubled imports of U.S. fresh potatoes hitting a record 1,899 metric tons, the highest level of imports since Japan opened its market in 2006. Japanese imports of U.S. fresh potatoes started in 2006 after the Japanese government allowed limited importation of U.S. fresh potatoes for potato chip manufacturing (see Policy section.) With the exception of last season, when imports from the U.S. lowered due to shipping cancellations, Japanese imports had averaged about 772 metric tons. This season's leap in U.S. fresh potato imports, valued at \$1.11 million (CIF basis), is largely due to U.S. exporters supplying higher quality potatoes, providing suitable potato varieties and successfully meeting the needs of Japanese manufacturers. Higher prices in Japanese domestic potatoes also contributed to the MY2009/10 increase. Other major world suppliers, such as China, export to Japan; however, Japan's imports of fresh potatoes from other suppliers remain negligible.

Japanese chip manufacturers rely heavily on Hokkaido potatoes. Given the expected reduction in Japan's next potato crop, Japanese chippers are already looking to increase their sourcing from the United States. Stronger relationships between U.S. suppliers and Japanese manufacturers signal that Japanese imports of U.S. potatoes are likely to continue growing.

## Trade – Exports

Japanese exports of fresh potatoes are usually extremely small, as domestic production is only large enough to satisfy local demand. With a stable demand and lower yields during MY 2009/10, Japan reported no exports of fresh potatoes.

## **Policy**

On February 1, 2006 Japanese MAFF and USDA reached an agreement to allow limited imports of fresh potatoes from the United States, strictly for chip manufacturing. Prior to that date, the government of Japan had banned all imports of fresh potatoes from the United States due to phytosanitary concerns. Under this agreement, 14 U.S. states were allowed limited access to the Japanese market. These are the states of Idaho, Arizona, Wisconsin, Oregon, California, Colorado, Texas, New Mexico, North Dakota, Florida, Michigan, Minnesota, Maine, and Washington. However, in April 2006, after the state of Idaho announced a finding of potato cyst nematode, Japan banned imports of all U.S. fresh potatoes. In February 2007, the U.S. regained access for all previously approved States except Idaho. Presently, only 13 U.S. states are allowed to ship fresh potatoes for chipping to Japan. Negotiations between the two countries continue to reinstate Idaho as an eligible shipper.

Within the thirteen eligible states, California is the only state currently shipping fresh potatoes to Japan. Under the current import protocol, Japanese importers have access to U.S. fresh potatoes from the beginning of February to the end of June. However, depending on weather conditions, this limited time-frame may not be practical. For example, in June, 2010, poor weather conditions delayed California's potato harvest for about two weeks, postponing the shipping and arrival dates at Japan's port too close to end of the allowable shipping period. Anticipating lower Japanese crop yields in MY2010/11 and seeking to accommodate possible delays in U.S. harvest, Japanese manufacturers have requested MAFF to extend the duration of the shipping period to the end of July. In February 2010, USDA made a similar request to MAFF as an extended access period would increase availability of U.S. potatoes in this market. MAFF's response to these requests is pending.



*MAFF inspectors examine California potatoes at Hiroshima Port*

At the moment, only one port-area facility in Hiroshima is allowed to process U.S. fresh potatoes into chips under MAFF's strict surveillance. Import protocol procedures range from ensuring that containers are sealed during transport from the port to the chipping facility, to incinerating all potato waste. Additionally, Japanese manufacturers indicate that MAFF's requirements for handling wastewater from processing U.S. potatoes are unreasonably strict and costly. Hence, Japanese manufacturers have also requested MAFF to consider more cost-effective operations for U.S. potatoes. Recently, MAFF officials have reportedly visited the Hiroshima facility to review its handling procedures but have not made a final determination. MAFF's consent to more cost-effective measures is a critical factor determining whether Japanese manufacturers will seek eligibility for other processing plants and consequently increase their demand for U.S. potatoes. USDA continues to work collaboratively in these efforts and secure access to additional facilities.



*A Japanese manufacturer gets ready to process a batch of California potatoes*

## Marketing

In MY 2009/10 Japan imported 1,899 metric tons of U.S. fresh potatoes, the highest level since Japan began importing fresh potatoes from the United States in 2006. According to Japanese industry sources, the quality of this marketing year's U.S. potatoes was excellent. Different from the previous season, the potato variety shipped ("NY115") met the taste and color needs of Japanese chip manufacturers which led to increased orders. Similarly, Japanese manufacturers report that their production yield was reasonably high (the rejection rate of U.S. potatoes was reasonably small compared to previous years).

Other factors contributed to the increased demand for U.S. potatoes. The yen's appreciation against the U.S. dollar (27 percent between September 2007 and September 2010) and a relatively poor domestic crop in early summer encouraged Japanese buyers to purchase U.S. potatoes.

Currently, Japanese chip manufacturers procure U.S. fresh potatoes from one supplier in California. Seeking to stabilize potato supply in the future, Japanese buyers are actively looking for additional U.S. suppliers within and beyond California. The U.S. potato industry and USDA are working with MAFF inspectors to facilitate sourcing of U.S. potatoes from other eligible states.

#### Tariff Table

The applicable import duty for fresh potatoes is as follows:

TARIFF CODE (HS)	DESCRIPTION	DUTY RATE
0701.90	Fresh Potatoes	4.3%

The duty is charged on a CIF basis.

#### Trade Matrices

Import Trade Matrix (Quantity)				
Country	Japan			

<b>Commodity</b>	<b>Potatoes, Fresh</b>		<b>HS 0701.90</b>		
Time Period:	July - June				
Units:	Metric Tons				
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
<b>U.S.</b>	960	<b>U.S.</b>	328	<b>U.S.</b>	1,899
Others		Others		Others	
China	2	China	0	China	1
Total for Others	2	Total for Others	0	Total for Others	1
Others not Listed	0	Others not Listed	0	Others not Listed	0
Grand Total	962	Grand Total	328	Grand Total	1,900
Source: World Trade Atlas					

<b>Import Trade Matrix (Value)</b>					
<b>Country</b>	<b>Japan</b>				
<b>Commodity</b>	<b>Potatoes, Fresh</b>				
Time Period:	July - June				
Units:	Millions of US Dollars				
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
<b>U.S.</b>	0.511	<b>U.S.</b>	0.176	<b>U.S.</b>	1.113
Others		Others		Others	
China	0.002	China	0.000	China	0.002
Total for Others	0.002	Total for Others	0.000	Total for Others	0.002
Others not Listed	0.000	Others not Listed	0.000	Others not Listed	0.000
Grand Total	0.513	Grand Total	0.176	Grand Total	1.115
Source: World Trade Atlas					

## Wholesale Price Table

<b>Wholesale Price Table</b>			
<b>Country</b>	<b>Japan</b>		
<b>Commodity</b>	<b>Potatoes, Fresh</b>		



Prices in:	Japanese Yen		
Per uom:	KG		
Year:	2009	2010	% Change
Jan	98	125	28%
Feb	101	126	25%
Mar	121	143	18%
Apr	144	189	31%
May	140	179	28%
Jun	150	193	29%
Jul	185	168	-9%
Aug	183		
Sep	112		
Oct	109		
Nov	115		
Dec	121		
Exchange Rate:	84.03	(Local Currency/US \$)	
Date of Quote:	9/10/2010	(MM/DD/YYYY)	
Source: MAFF			

## Frozen Potatoes

Frozen Potato Data:

Frozen Potato	Market Year	Market Year	Market Year
Products	Begin:	Begin:	Begin:
	July 2008	July 2009	July 2010
(MT, Net Weight)	MY2008/09	MY2009/10	MY2010/11

Beginning Stocks	0	0	0
Production	32,569	35,546	37,000
Imports	323,956	328,882	340,000
<b>Total Supply</b>	<b>356,525</b>	<b>364,428</b>	<b>377,000</b>
Exports	283	294	300
Domestic Consumption	356,242	364,134	376,700
Ending Stocks	0	0	0
<b>Total Distribution</b>	<b>356,525</b>	<b>364,428</b>	<b>377,000</b>
Source: Japan Customs, Japanese Potato Industry			
Imports/Exports stats is based on HS 0710.10 and HS 2004.10			
MY2010/11 data: Post estimates			

## Production

According to the Japan Frozen Food Association, in MY 2009/10 the Japanese production of frozen potato products was 35,546 metric tons, up approximately 9 percent from the previous year. Demand for domestic products has been increasing since the Chinese frozen food poisoning scandal in January 2008. Japanese consumers are extremely cautious about food safety issues and often prefer domestically produced products. However, Japanese production is significantly constrained by higher production costs. As strong demand for domestic products continues, post estimates domestic production to be approximately 37,000 metric tons in MY 2010/11.

According to the Japanese industry, the majority of domestic frozen potato products are used for making potato croquettes. Reportedly, the potato variety best suited for croquette manufacturing is “Danshaku” (Irish Cobbler). The Japanese domestic production of frozen French fries is minor, approximately 26 percent of the total frozen potato production. The early maturing potato varieties, “Toyoshiro” and “Waseshiro” are used for French fry production.

## Consumption

Japanese industry sources report that the majority of frozen potato products are consumed as French fries at quick serve restaurants (QSR) or fast food chains such as McDonald’s, Kentucky Fried Chicken, Mos Burger and Lotteria. McDonald’s consumes over 110,000 metric tons of frozen French fries annually and Kentucky Fried Chicken consumes approximately 10,000 metric tons annually. Japanese consumption of frozen French fries is closely tied to the performance of Japan’s QSRs. Under Japan’s stagnant economy, QSRs have been absorbing more customers from the high-end restaurants as Japanese choose to purchase lower-priced menu items over pricier items. Similarly,

family restaurants and “Izakaya”, Japanese style pubs, are also major consumption hubs for frozen potato products.

Japanese convenience stores also sell a fair amount of frozen potato products. Convenience stores set full size fryers in the store and sell freshly fried products to consumers. “Mini Stop” convenience stores have developed unique products such as hashed potato products using Idaho Russet potatoes, X-cut fried potatoes using German potatoes and fish and chips products. According to the Nikkei News, there are approximately 45,000 convenience stores in Japan (led by Seven-Eleven stores, Lawson, Family Mart, et. al.) Sales at convenience stores have reportedly grown approximately 7 – 10 percent annually.

Approximately 90 percent of Japanese consumption of frozen potato products is satisfied by imports, mainly in the form of French fries. Domestic frozen potato products are consumed through retail sector sales and manufactures of frozen croquettes products.

## **Trade – Imports**

In MY2009/10, Japanese total world imports of frozen potato products (including both French fries (HS: 2004.10) and non-fried potatoes (HS: 0710.10)) were 328,882 metric tons, about 2 percent higher than the previous season. The total value of imports was approximately \$403.2 million on a CIF basis. Japan imports frozen potato products all year round with a slight increase in early spring through summer, reflecting Japan’s higher seasonal demand. Japan’s QSRs are expected to continue having good sales in the coming year and the exchange rate is also expected to encourage Japanese buyers to purchase from foreign suppliers. Correspondingly, for MY 2010/11, post estimates Japan’s total imports of frozen potato products to continue their upward trend and increase roughly by 3 percent to 340,000 metric tons.

Within Japanese world imports of frozen potato products, imports of frozen French fries continue to be by far the biggest contributor compared to imports of frozen non-fried potato products. Nonetheless, is worth noting that in recent years the rate of growth in the non-fried potato category appears to be outpacing that of frozen French fries.

### ***Imports of Frozen French Fries (HS: 2004.10)***

In MY 2009/10, Japanese imports of U.S. frozen French fries (HS: 2004.10) were 258,864 metric tons, an increase of about 2 percent from the previous season, and valued at approximately \$314.1 million on a CIF basis.

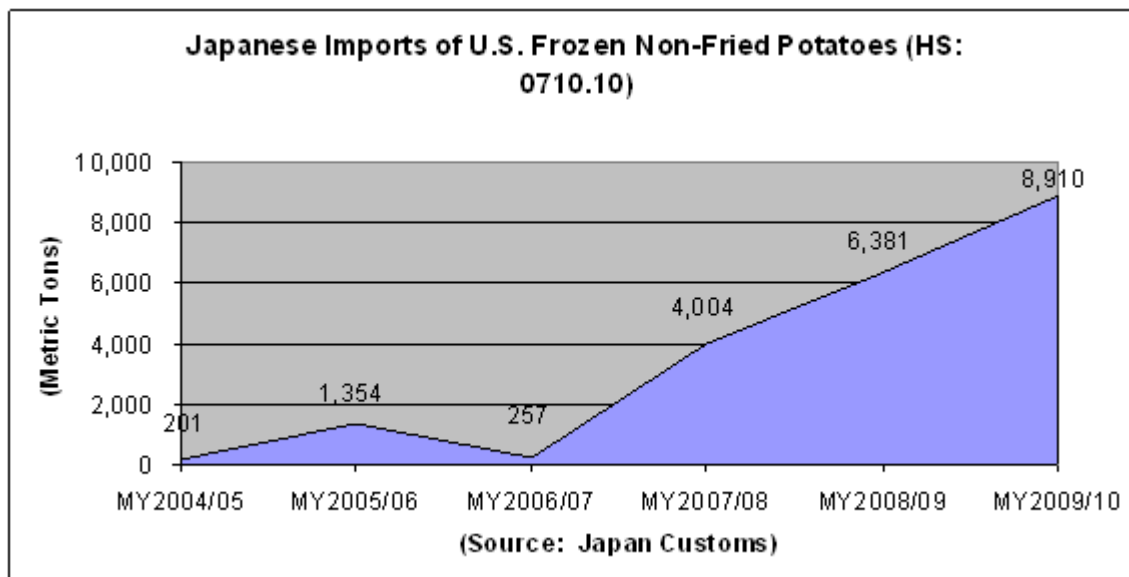
In the frozen French fry category, the United States continues to be the biggest supplier to Japan. During the MY 2009/10, 83 percent of Japan's total imports were supplied by the United States, followed by Canada and Belgium. Canada and Belgium supplied around 9 percent and 4 percent, respectively.

Japanese imports of Canadian frozen French fries have been declining at approximately 13 – 18 percent annually. Japanese industry sources report that Canada's largest frozen potato supplier has plants in both Canada and the United States. However, recently the Canadian supplier reportedly increased the number of product shipments coming out of its U.S. plants and decreased shipments out of Canada. Given the strong Canadian dollar, shipments from Canadian plants lost their competitiveness. Hence, trade statistics may reflect the Canadian company's operational changes and account for the decline in imports from Canada.

Japanese imports of Belgium frozen French fries have been increasing in the last several years as a result of good sales at Japan's convenience stores. In MY 2009/10, Japan imported 13,059 metric tons of Belgium frozen potatoes, valued at \$15.6 million on a CIF basis. However, Japanese imports of frozen potato products from European countries such as Belgium and Germany are likely to decrease due to the poor crops in Europe resulting from the heat waves in the summer of 2010. With possible shortages in European supplies, imports from the United States are expected to increase.

Japanese imports of Chinese frozen French fries have been declining since the Chinese food poisoning scandal in 2008. As Chinese frozen French fries are generally sold at the retail level, where the source country can be identified, the 2008 scandal continues to lessen Japanese demand for these and other retail food products. In MY 2009/10, Japan imported only 2,311 metric tons of frozen potato products (HS: 2004.10) from China, only 61 percent of the pre-food poisoning level and 8 percent less than the last year.

***Imports of Frozen Non-fried potatoes (HS: 0710.10)***



In MY 2009/10, Japanese imports of U.S. non-fried potato products reached the highest level on record at 8,910 metric tons, a remarkable 40 percent higher than the previous season. In 2007, a Japanese snack food manufacturer developed a new product using U.S. frozen non-fried potatoes as an ingredient. Since then, Japanese imports of U.S. frozen non-fried potatoes have increased steadily at about 40 to 60 percent annually.

The other key supplier to the Japanese market is China. While at the retail level, the 2008 food scandal has negatively affected Japanese imports of Chinese frozen fries, the same is not the case for imports of Chinese frozen (not fried) potato products. In fact, statistics indicate that imports from China were not only unaffected but even showed slight increases after the scandal. Imports of Chinese frozen (not fried) potato products are primarily destined for the Japanese food service industry where they are preferred as a cheaper ingredient and are mixed with other domestic and more expensive ingredients. The origin of these imports then becomes unidentifiable to the Japanese consumer leaving demand unaffected.

Until last season, China held the biggest share of the frozen (not fried) potato market in Japan, followed by the United States. For the first time, in MY 2009/10, imports from the United States slightly surpassed China. However, it is important to note that imports from these countries are not used for the same purpose in this market and thus may not be in direct competition. While imports from China are directly used in the food service sector, imports from the U.S. are strictly used for snack manufacturing. Nonetheless, China could become a major competitor in Japan's non-fried potato market. According to industry sources, two global frozen vegetable companies have established frozen processing facilities in China and future frozen potato exports to Japan appear imminent. In addition,

some Chinese exports appear to be from Japanese companies operating in China. However, as Japanese manufacturers continue expanding and requiring high quality ingredients for their products, the United States will remain in the best position to fulfill market demand in this sector.

## **Trade – Exports**

Japan's exports of frozen potato products are very small. Japan exports around 300 metric tons to Taiwan, Singapore and Hong Kong, through local Japanese grocery stores.

## **Marketing**

Under the current Japanese economic recession, Japanese consumers have become more price-sensitive. In recent years, quick serve restaurants (QSR) or fast food restaurants have been performing well with their lower-priced menu items. Japanese hamburger shops are the key users of imported frozen French fries. With over 3,700 outlets throughout Japan, McDonald's is the largest single user of imported frozen French fries. Kentucky Fried Chicken who has over 1,500 outlets nationwide is also an important player. U.S. frozen French fry suppliers have earned a good reputation among their Japanese clients as they are able to provide a high quality product and a steady supply through out the year.

In the recent years, the sales of fried potatoes at convenience stores have been growing. Belgium and German fried potato products are largely sold at convenience stores, particularly at medium-scale convenience store chain such as Mini Stop (with approximately 1,770 stores). European suppliers developed a new product using a European potato variety specifically designed for marketing in Japanese convenience stores. In terms of volume, frozen French fry supplies from European countries are rather limited compared to the United States. Therefore, European suppliers target their sales at medium-scale chains. On the other hand, Japan's large-scale convenience store chains such as Seven-Eleven (around 12,300 stores) and Lawson (around 9,500 stores) require bigger volumes and hence sell U.S. fried potato products.

Family restaurants such as Denny's and Saizeriya use all types of frozen potatoes from a whole potato to wedge-cut fries. U.S. frozen potato sales at family restaurants have been steady. U.S. suppliers have recently concentrated marketing efforts for frozen whole potatoes towards itzakaya restaurants, Japanese-style pubs. Retail stores also sell imported frozen potato products as well as domestically produced potato products. Individually packed frozen potatoes from shoestrings to wedge cut fries are also mainly sold at retail stores.

As mentioned above, starting in 2007, a Japanese food processing plant began using non-fried U.S. frozen potatoes (HS: 0710.10) for snack manufacturing. The volume is still small compared to fried potato products but it has been steadily increasing.

The Japanese food industry believes that Japan's frozen potato market has potential to grow. Given Japan's high quality and high food safety standards, the United States is best-positioned for marketing frozen potato products in the Japanese market. However, competitors are always looking for opportunities to expand their sales in this country.

## **Policy**

### ***Japan's testing for Coliform on U.S. Frozen Fries:***

Japan applies a negative (zero) tolerance for coliform (a common microorganism) and requires coliform testing on U.S. frozen fries entering the country. The U.S. fry processing standards do not require a negative coliform result. The U.S. potato industry and, USDA worked closely with MHLW and discussed the usefulness of the testing requirements. MHLW has since accepted U.S. arguments and has shown great flexibility by allowing a phase-out of the coliform testing by the end of 2010.

### ***Japanese MRL Issues:***

On May 29, 2006 the Ministry of Health, Labor and Welfare (MHLW) introduced the positive list system for all agricultural chemicals in food. MHLW implemented maximum residue limits (MRL) guidance on all food products, including imported frozen potato products. MHLW has newly established MRLs for some food commodities as well as has comprehensively reviewed the current MRLs. The recent activities are announced in the following GAIN reports (JA0016, JA0017, JA0018 and JA0020.)

JA0016

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MRL%20Changes%20in%20Imibenconazole%20and%20other%205%20chemicals\\_Tokyo\\_Japan\\_2010-05-28.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MRL%20Changes%20in%20Imibenconazole%20and%20other%205%20chemicals_Tokyo_Japan_2010-05-28.pdf)

JA0017

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MRL%20Changes%20in%20Cyflufenamid%20and%20other%206%20chemicals\\_Tokyo\\_Japan\\_2010-05-28.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MRL%20Changes%20in%20Cyflufenamid%20and%20other%206%20chemicals_Tokyo_Japan_2010-05-28.pdf)

JA0018

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MRL%20changes%20in%20Azimsulfuron%20and%20other%207%20chemicals Tokyo Japan 2010-05-28.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MRL%20changes%20in%20Azimsulfuron%20and%20other%207%20chemicals%20Tokyo%20Japan%202010-05-28.pdf)

JA0020

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MRLs%20for%20Ethoprophos%20Chlorethoxyfos%20Spinetoram%20Tribufos%20Fludioxonil Tokyo Japan 8-11-2010.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/MRLs%20for%20Ethoprophos%20Chlorethoxyfos%20Spinetoram%20Tribufos%20Fludioxonil%20Tokyo%20Japan%208-11-2010.pdf)

The following Website will assist you to find MRLs for a certain agricultural chemical: The Japan Food Chemical Research Foundation <http://www.m5.ws001.squarestart.ne.jp/foundation/search.html>

Tariff Tables:

The applicable import duty for frozen potato products are as follows:

HS Code		Description	Rate of Duty
0710.10	0710.10-000	Frozen potatoes: Uncooked or cooked by steaming or boiling in water	8.5%
2004.10	2004.10-100	Frozen potatoes: Cooked, not otherwise prepared (fried potatoes)	8.5%
	2004.10-210	Frozen potatoes: Mashed potatoes	13.6%
	2004.10-220	Frozen potatoes: Others	9.0%

The duty is charged on a CIF basis.

Trade Matrices:

Import Trade Matrix (Quantity)					
Country	Japan				
Commodity	2004.10 - Frozen Potato Products				
Time Period:	July - June				
Units:	Metric Tons				
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
U.S.	241,711	U.S.	253,482	U.S.	258,864



Others		Others		Others	
Canada	39,074	Canada	34,023	Canada	28,029
Belgium	6,607	Belgium	10,886	Belgium	13,059
China	5,972	New Zealand	3,506	New Zealand	4,069
New Zealand	3,658	Germany	2,425	China	2,311
Germany	2,155	China	2,191	Germany	2,018
Egypt	1,905	Egypt	1,401	Egypt	1,253
Total for Others	59,371	Total for Others	54,432	Total for Others	50,739
Others not Listed	1,093	Others not Listed	582	Others not Listed	996
Grand Total	302,175	Grand Total	308,496	Grand Total	310,599
Source: World Trade Atlas					

Import Trade Matrix (Value)					
Country	Japan				
Commodity	2004.10 - Frozen Potato Products				
Time Period:	July - June				
Units:	Millions of US Dollars				
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
U.S.	253.4	U.S.	306.0	U.S.	314.1
Others		Others		Others	
Canada	40.6	Canada	38.4	Canada	33.5
Belgium	7.4	Belgium	13.0	Belgium	15.6
China	7.7	New Zealand	4.3	New Zealand	4.8
New Zealand	3.7	Germany	3.2	Germany	2.8
Germany	3.0	China	5.5	China	5.3
Egypt	1.5	Egypt	1.1	Egypt	1.1
Total for Others	63.9	Total for Others	65.5	Total for Others	63.1
Others not Listed	2.4	Others not Listed	1.5	Others not Listed	1.8
Grand Total	319.7	Grand Total	373.0	Grand Total	379.0
Source: World Trade Atlas					

Import Trade Matrix (Quantity)					
Country	Japan				
Commodity	0710.10 - Frozen Potato Products, not Fried				
Time Period:	July - June				
Units:	Metric Tons				
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
U.S.	4,004	U.S.	6,381	U.S.	8,910
Others		Others		Others	
China	6,060	China	8,409	China	8,822
Colombia	220	Vietnam	294	Vietnam	291

Vietnam	148	Colombia	233	Colombia	180
Egypt	110	Egypt	114	Egypt	48
Canada	40	Canada	29	Canada	22
Total for Others	6,578	Total for Others	9,079	Total for Others	9,363
Others not Listed	21	Others not Listed	0	Others not Listed	10
Grand Total	10,603	Grand Total	15,460	Grand Total	18,283
Source: World Trade Atlas					

Import Trade Matrix (Value)					
Country	Japan				
Commodity	0710.10 - Frozen Potato Products, not Fried				
Time Period:	July - June				
Units:	Millions of US Dollars				
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
<b>U.S.</b>	5.487	<b>U.S.</b>	9.603	<b>U.S.</b>	14.576
Others		Others		Others	
China	5.470	China	8.144	China	8.630
Colombia	0.545	Vietnam	0.343	Vietnam	0.363
Vietnam	0.162	Colombia	0.601	Colombia	0.503
Egypt	0.123	Egypt	0.106	Egypt	0.046
Canada	0.054	Canada	0.036	Canada	0.036
Total for Others	6.354	Total for Others	9.230	Total for Others	9.578
Others not Listed	0.055	Others not Listed	0.004	Others not Listed	0.022
Grand Total	11.896	Grand Total	18.837	Grand Total	24.176
Source: World Trade Atlas					

## Potato Flakes (Non-Frozen)

Japanese Imports of U.S. Potato Flakes and Flour (in Metric Tons)				
H.S.Code	MY 2007/08	MY 2008/09	MY 2009/10	Description
1105.20	17,165	15,719	14,044	Flakes of Potatoes
1105.10	1,876	3,179	3,954	Flour & Meal of Potatoes
Total	19,041	18,898	17,998	
Source: World Trade Atlas				

Japan has a modest production of dehydrated potato products. According to the Japanese industry, in MY 2010/11, domestic production of dried potato products (mainly potato flakes) is expected to be approximately 2,000 metric tons, down approximately 30 percent from the previous season. A poor potato crop in Hokkaido is the main reason for the expected decline in production. Secondary grade potatoes are often used to make potato flakes. Domestic potato flakes are mainly used for soup powder and snack manufacturing.

The United States is by far the largest supplier of potato flakes and flour to Japan, supplying approximately 85 percent of Japan's total imports. In MY 2009/10, the United States supplied 17,998 metric tons, valued at \$29.06 million on a CIF basis. Other smaller suppliers include Germany and China.

Japan uses U.S. dehydrated potato flakes in various food processing operations within the manufacturing and food service sectors. Japanese reconstituted potato chips are mainly manufactured from imported U.S. potato flakes. Pringles Japan, Yamazaki Nabisco, and Gaban are the key manufacturers of reconstituted potato chips in Japan.

The Japanese food service sector is also an important consumer of U.S. potato flakes. An English-style pub restaurant chain called "Hub" serves various menu items made from U.S. potato flakes such as Sheppard pies and mashed potatoes. U.S. dehydrated potato flakes are also used for manufacturing potato croquettes and salads often served at restaurants and at supermarkets. Several bakers use U.S. dehy-potato flakes to improve the texture of bread. High-end restaurants also favor U.S. dehydrated potatoes (diced, shredded, and sliced potatoes) as they are considered to be more versatile and easier to use than fresh potatoes.

## **Tariffs:**

The applicable import duties for potato flakes and flour are as follows:

HS code		Description	Rate of Duty
1105	1105.10	Flour, meal and powder of potatoes	20%
	1105.20	Flakes, granules and pellets of potatoes	20%

The duty is charged on a CIF basis.

## Trade Matrices:

Import Trade Matrix (Quantity)					
Country	<b>Japan</b>			Time Period:	July - June
Commodity	1105.20 - Flakes of Potatoes			Units:	Metric Tons
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
<b>U.S.</b>	17,165	<b>U.S.</b>	15,719	<b>U.S.</b>	14,044
Others		Others		Others	
Germany	1,788	Germany	2,356	Germany	1,637
China	136	China	352	China	230
Canada	17	Netherlands	70	Netherlands	74
Netherlands	10				
Total for Others	1,951	Total for Others	2,778	Total for Others	1,941
Others not Listed	1	Others not Listed	3	Others not Listed	5
Grand Total	19,117	Grand Total	18,500	Grand Total	15,990
Source: World Trade Atlas					

Import Trade Matrix (Value)					
Country	<b>Japan</b>			Time Period:	July - June
Commodity	1105.20 - Flakes of Potatoes			Units:	Millions of US \$
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
<b>U.S.</b>	23.572	<b>U.S.</b>	24.643	<b>U.S.</b>	22.708
Others		Others		Others	
Germany	2.596	Germany	3.320	Germany	2.344
China	0.187	China	0.573	China	0.344
Canada	0.028	Netherlands	0.092	Netherlands	0.100
Netherlands	0.016				
Total for Others	2.827	Total for Others	3.985	Total for Others	2.788
Others not Listed	0.008	Others not Listed	0.011	Others not Listed	0.021
Grand Total	26.407	Grand Total	28.639	Grand Total	25.517
Source: World Trade Atlas					

Import Trade Matrix (Quantity)					
Country	<b>Japan</b>			Time Period:	July - June
Commodity	1105.10 - Flour and Meal of Potatoes			Units:	Metric Tons
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
<b>U.S.</b>	1,876	<b>U.S.</b>	3,179	<b>U.S.</b>	3,954
Others		Others		Others	
Netherlands	747	Netherlands	600	Netherlands	500
Poland	25	Poland	775	Poland	625
				Germany	225
Total for Others	772	Total for Others	1,375	Total for Others	1,350
Others not Listed	0	Others not Listed	0	Others not Listed	0
Grand Total	2,648	Grand Total	4,554	Grand Total	5,304

Source: World Trade Atlas				
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Import Trade Matrix (Value)					
Country	<b>Japan</b>			Time Period:	July - June
Commodity	<b>1105.10 - Flour and Meal of Potatoes</b>			Units:	Millions of US \$
Import for:	MY2007/08	Import for:	MY2008/09	Import for:	MY2009/10
<b>U.S.</b>	2.951	<b>U.S.</b>	5.087	<b>U.S.</b>	6.356
Others		Others		Others	
Netherlands	1.052	Netherlands	0.777	Netherlands	0.617
Poland	0.039	Poland	1.080	Poland	0.831
				Germany	0.262
Total for Others	1.091	Total for Others	1.857	Total for Others	1.710
Others not Listed	0.000	Others not Listed	0.000	Others not Listed	0.000
Grand Total	4.042	Grand Total	6.944	Grand Total	8.066
Source: World Trade Atlas					